

WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES DECEMBER 2002



Starting in February 2003, reported industry employment data will use a different classification system known as NAICS. Why is this important? The broad industry nomenclature will be similar to the older system (SIC) and there will be new industrial categories as well, but the sub-industries that make up these broader sectors will change. These changes will be so significant that one will not truly be able to compare data from the new system to the old. A major challenge presented, initially, will be that the NAICS system will only code the most current data and will not re-code estimates prior to 2003 to the new nomenclature for an undetermined amount of time. This will make historic analysis difficult. This new system will not affect any of the reported labor force data.

November Rates Rise Slightly

The **Kenosha MSA** unemployment rate (not seasonally adjusted) rose two-tenths of a percentage point in November to 4.8 percent. Labor force figures show 910 more Kenosha County residents employed, yet there were also 230 more in the ranks of the unemployed from October to November. Compared to last November, Kenosha County's present rate is five-tenths (rounded) of a point higher. November's unemployment rate has averaged 3.7 percent given the 1991-2001 time-frame.

Kenosha County's industry data looks a bit brighter than the labor force data. The MSA gained 590 additional jobs since October with retail trade (+250 jobs) being the chief engine of this growth; and not so surprisingly given the holidays and the need for seasonal help. Manufacturing employment gained 90 jobs in the fabricated metal products industry. This is the fourth month in a row that manufacturing employment has increased and the first four month streak of this kind since March-June 1999.

The annual view shows 1,020 more jobs in the Kenosha MSA. Construction has posted the largest relative gain, up 15 percent or 430 jobs since last November. Manufacturing shows no gain over the year, but better at this point in the economic cycle is that it is not showing an annual loss which is encouraging.

Racine MSA's not seasonally adjusted unemployment rate is 6.6 percent for November. This is an increase of five-

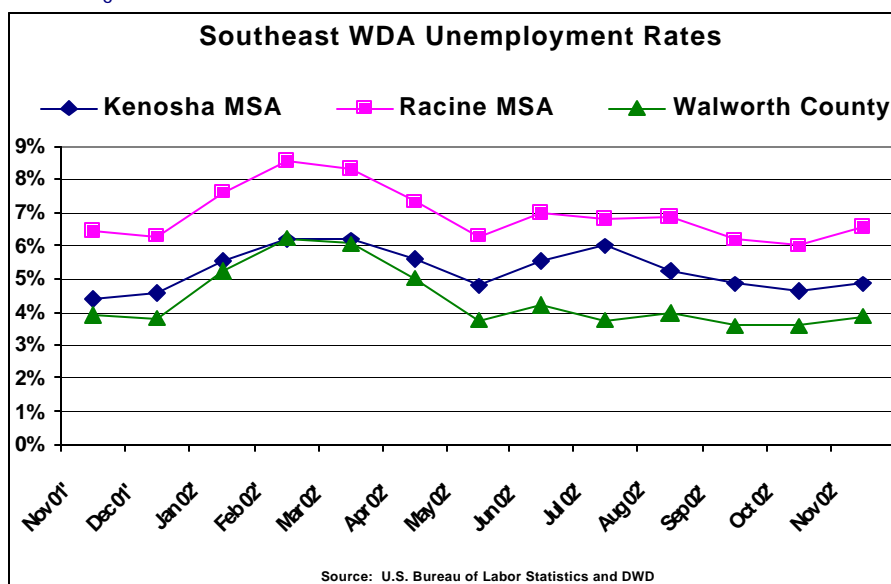
tenths of a percentage point over the month and is one-tenth of a point higher than in November 2001. The monthly labor force figures show 180 fewer employed and 520 more unemployed. This is the second year in a row that the November rate has exceeded six percent as the

November rates in 1991 and 1992 also exceeded this level. The average rate for this month over the last decade is 4.7 percent.

Racine's monthly, overall industry performance shows 70 fewer jobs, despite the fact that retail trade gained 250 more jobs. The net loss' foundation was the 350 job decrease in

services as many of the business services (temporary help agencies) firms found fewer assignments for their employees. Another significant loss was the 160 job decrease in construction employment, which for the most part, has been very strong in 2002.

The annual industry performance is satisfactory, but is positive rather than the net annual loss experienced last November relative to November 2000. Only two industries show an annual loss of employment, wholesale trade (-430 jobs) and retail trade (-40 jobs). The wholesale trade deficit is not unprecedented as of late, but the retail trade loss, as slight as it is, is a bit baffling and is the first annual loss in this industry since September 2000. Manufacturing employment shows an annual gain for the second month in a row which is fantastic given that the previous 47 months have shown an annual deficit. Construction employment has increased 2.7 percent annually as this part of the state has been one of the hot pockets of residential building in Wisconsin.



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The unemployment rate for **Walworth County** registered 3.8 percent in November, which is two-tenths of a point higher than last month and is one-tenth of point higher than last November's rate.

November is a turning point month in the year for Walworth as one season unofficially ends in and another begins. The labor force shows 780 fewer employed over the month and 110 more unemployed. These figures are actually quite seasonal as many who work in industries that are geared towards summer and fall take a brief respite in the winter from these jobs. November is actually the month that typically experiences the largest job loss. These jobs are in hotels and motels and other service-oriented industries that cater to the visitors and part-

year residents that flock the county every year. Retail trade employment is also included in this pattern of seasonal reduction as well, as it, too, decreased in number of jobs (-80 jobs).

Annually, the total industry job growth stands at 100 jobs, which shows that industries are holding up in 2002, but are by no means stellar in performance. This is certainly not a criticism given that much of this region has seen many months where the industry employment levels have been quite lower than the figures for that month in the previous year. The services industry has shown the way for job growth (+320 jobs) as has construction (+100 jobs or 4.5 percent), which always seems to be doing well in Walworth County. There are 170 fewer manufacturing jobs over since last November. Walworth was the only county in the region to show an annual deficit in manufacturing employment.

November 2002	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA
Civilian Labor Force*	3,053,929	85,194	94,265	54,081	233,540
Persons Employed	2,915,081	81,077	88,090	52,005	221,172
Persons Unemployed	138,848	4,117	6,175	2,076	12,368
Unemployment Rate	4.5%	4.8%	6.6%	3.8%	5.3%
Total jobs of all non-farm industries**	2,868,320	55,966	82,564	43,405	181,935
Goods Producing Jobs	704,634	14,658	25,677	11,406	51,741
Service Producing Jobs	2,163,686	41,308	56,887	31,999	130,194
Construction & Mining	134,037	3,210	4,241	2,296	9,747
All Manufacturing	570,597	11,448	21,436	9,110	41,994
Transportation, Communications & Public Utilities	133,042	2,119	2,627	1,685	6,431
Wholesale Trade	136,544	2,368	3,001	1,465	6,834
Retail Trade	511,319	11,366	14,529	7,916	33,811
Finance, Insurance, and Real Estate	153,819	1,381	2,414	1,373	5,168
Services	803,977	14,263	23,586	11,064	48,913
All Government	424,985	9,811	10,730	8,496	29,037
Change from October 2002					
Civilian Labor Force*	250	1,140	330	-670	800
Persons Employed	-12,370	910	-180	-780	-50
Persons Unemployed	12,620	230	520	110	850
Unemployment Rate	0.4%	0.2%	0.5%	0.2%	0.3%
Total jobs of all non-farm industries**	470	590	-70	-540	-30
Goods Producing Jobs	-6,550	60	-20	-40	0
Service Producing Jobs	7,020	520	-50	-500	-30
Construction & Mining	-3,490	-30	-160	-40	-220
All Manufacturing	-3,060	90	130	0	230
Transportation, Communications & Public Utilities (TCPU)	-880	0	-60	-10	-70
Wholesale Trade	170	0	-10	0	0
Retail Trade	8,740	250	250	-80	430
Finance, Insurance, and Real Estate (FIRE)	100	-10	10	-60	-50
Services	-7,600	30	-350	-420	-750
All Government	6,480	240	100	70	420
Change from November 2001					
Civilian Labor Force*	59,640	2,560	1,320	670	4,550
Persons Employed	53,940	2,050	1,150	690	3,890
Persons Unemployed	5,710	510	170	-20	660
Unemployment Rate	0.1%	0.5%	0.1%	-0.1%	0.2%
Total jobs of all non-farm industries**	24,250	1,020	410	110	1,540
Goods Producing Jobs	-5,850	430	290	-70	650
Service Producing Jobs	30,100	590	120	180	890
Construction & Mining	2,990	430	110	100	640
All Manufacturing	-8,840	0	180	-170	0
Transportation, Communications & Public Utilities (TCPU)	-1,630	-90	20	10	-60
Wholesale Trade	-1,720	-150	-430	-40	-620
Retail Trade	3,010	110	-40	70	140
Finance, Insurance, and Real Estate (FIRE)	3,220	-50	0	-90	-140
Services	20,430	-30	250	320	530

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